

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF MARTIN)	CASE NO.
COUNTY WATER DISTRICT FOR AN)	2018-00017
ALTERNATIVE RATE ADJUSTMENT)	

ORDER

On August 22, 2019, Martin County Water District (Martin District) submitted a letter with multiple requests to the Commission. The letter is attached as an Appendix to this Order. The Commission will treat the letter as a motion.

First, Martin District asks whether the Commission will conduct a final rate impact analysis, including costs related to a proposed management contract with a third party, and, if so, whether the information would be shared with Martin District. The Commission declines Martin District's request because it is unclear what Martin District means by "final rate impact analysis." We note that Martin District filed an updated rate impact analysis that included costs for a proposed management contract, and that said rate analysis is part of the case record upon which the Commission will base its decision. If Martin District is requesting to be provided with the rates that we will approve before the Order approving the rates is issued, that is contrary to the statutory and regulatory requirements under which the Commission operates.

Next, Martin District requests the Commission's assistance in obtaining information from the Kentucky Retirement System regarding how Martin District employees' retirement plan could be impacted if they become employees of a third-party

contractor. We decline the request. We note that, instead of Martin District taking an affirmative step to obtain an answer to its question, it submitted a letter requesting that the Kentucky Retirement System take an affirmative step to contact Martin District. The Commission encourages Martin District to take an affirmative step and telephone the Kentucky Retirement System, ideally with the employees present, to either discuss the issue with Kentucky Retirement System staff or to schedule a mutually convenient time to discuss the issue.

Finally, Martin District requests that the Commission contact Martin District's auditor to facilitate completion of the 2016 audit. We decline to do so for several reasons. First, the Commission understands that the 2016 audit will be completed by the end of September 2019. Second, Martin District has not provided all information necessary for the auditor to complete her work on other Martin District audits in progress. At the July 29, 2019 formal confidential conference, Martin District stated that it planned to obtain a subpoena to obtain records belonging to Martin District that remain in the custody of a former accountant. The Commission strongly encourages Martin District to take an affirmative step to regain control and possession of its documents, including obtaining a subpoena.¹

IT IS HEREBY ORDERED that Martin District's motion for the Commission to provide a final rate analysis, to contact the Kentucky Retirement System, and to contact Martin District's auditor is denied.

¹ A subpoena form is available at <https://psc.ky.gov/agencies/psc/forms/other/SubpoenaForm.pdf>.

By the Commission

ENTERED
SEP 12 2019
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:


Executive Director

Case No. 2018-00017

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2018-00017 DATED **SEP 12 2019**

FIVE PAGES TO FOLLOW



BRIAN CUMBO
ATTORNEY AT LAW

86 W. Main St., Suite 100
P.O. Box 1844
Inez, KY 41224
(606) 298-0428
FAX: (606) 298-0316
cumbolaw@cumbolaw.com

ADMITTED IN KY AND WV

August 22, 2019

Public Service Commission
ATTN: Brittany Koenig
P.O. Box 615
Frankfort, KY 40602

Via Email: brittany.koenig@ky.gov

RE: Martin County Water District
PSC Case No. 2018-00017

Dear Brittany:

I am writing concerning several issues. The first issue is whether the Public Service Commission is doing a final rate impact analysis, including what costs are allowed by the Public Service Commission relative to the proposed Contract with Alliance. If they are doing so, can you share that information with us?

The second issue is relative to the Kentucky Retirement Systems. I sent the attached letter on August 9, 2019, and as of this writing have had no response. I am wondering if contact from a sister organization might generate more cooperation. Obviously, this is an issue that must be addressed prior to the Contract with Alliance becoming effective.

Finally, we still have not received the 2016 audit from White & Associates. I further am wondering if being prompted by the Public Service Commission may speed that process along.

Please let me know your thoughts on these matters at your earliest convenience.

Very truly yours,

BRIAN CUMBO
BC/ld
Enclosure



BRIAN CUMBO

ATTORNEY AT LAW

86 W. Main St., Suite 100
P.O. Box 1844
Inez, KY 41224
(606) 298-0428
FAX: (606) 298-0316
cumbolaw@cumbolaw.com

ADMITTED IN KY AND WV

Fax

To: Kentucky Retirement Systems **From:** Brian Cumbo

Fax: [REDACTED] **Date:** 08/09/2019

Phone: **Pages:** 3

Re: Martin County Water & Sewer District **CC:**

Urgent **For Review** **Please Comment** **Please Reply** **Please Recycle**

•Comments:

The above communication contains information that may be confidential and/or privileged. Except for use by the intended recipient, or as expressly authorized by the sender, any person who receives this information is prohibited from disclosing, copying, distributing, and/or using it. If you have received this communication in error, please immediately delete it and all copies, and promptly notify the sender at the above telephone number or electronic mail address.



BRIAN CUMBO

ATTORNEY AT LAW

86 W. Main St., Suite 100
P.O. Box 1844
Inez, KY 41224
(606) 298-0428
FAX: (606) 298-0316
cumbolaw@cumbolaw.com

ADMITTED IN KY AND WV

August 9, 2019

Kentucky Retirement Systems
Perimeter Park West
1260 Louisville Road
Frankfort, KY 40601

Via Facsimile: 502-696-8822

RE: Martin County Water & Sewer District Employees

To Whom It May Concern:

Please be advised that I am the attorney for the Martin County Water and Sewer District, situated in Inez, Kentucky. The employees of the Martin County Water and Sewer District are members of the Kentucky Retirement System (CERS).

The Kentucky Public Service Commission has ordered the Martin County Water District hire a contract manager to assume the operations of the District. It is anticipated the current employees of the Martin County Water District and Sewer District will become employees of the contractor. The issue, of course, is the contractor is a private entity.

The purpose of this correspondence is twofold. To request that a counselor with the Kentucky Retirement System meet with the employees, to advise each of them as to their retirement options. Second, once the employees have transitioned to private employment, how must the Districts account for the pension liability on their balance sheet?

We are requesting that the appropriate person from the Kentucky Retirement System give me a call upon receipt of this correspondence, so that a meeting can be arranged.

Kentucky Retirement Systems
August 9, 2019
Page Two

Very truly yours,

A handwritten signature in black ink, appearing to read "B. Cumbo". The signature is fluid and cursive, with the first name "B." and the last name "Cumbo" clearly visible.

BRIAN CUMBO

BC/ld

cc: Martin County Water District

*** TX REPORT ***

JOB NO. 4445
ST. TIME 08/09 14:23
SHEETS 3
FILE NAME

TX INCOMPLETE -----
TRANSACTION OK 15026968822
ERROR -----



BRIAN CUMBO
ATTORNEY AT LAW

86 W. Main St., Suite 100
P.O. Box 1844
Inez, KY 41224
(606) 298-0428
FAX: (606) 298-0316
cumbolaw@cumbolaw.com

ADMITTED IN KY AND WV

Fax

To: Kentucky Retirement Systems From: Brian Cumbo
Fax: [REDACTED] Date: 08/09/2019
Phone: Pages: 3
Re: Martin County Water & Sewer District CC:

Urgent For Review Please Comment Please Reply Please Recycle

•Comments:

*Brian Cumbo
Attorney at Law
P.O. Box 1844
Inez, KENTUCKY 41224

*Martin County Water District
387 East Main Street, Suite 140
Inez, KY 41224

*Greg Scott
General Manager
Martin County Water District
387 East Main Street, Suite 140
Inez, KY 41224

*Mary Cromer
Appalachian Citizens' Law Center, Inc.
317 Main Street
Whitesburg, KENTUCKY 41858

*M. Todd Osterloh
Sturgill, Turner, Barker & Moloney, PLLC
333 West Vine Street
Suite 1400
Lexington, KENTUCKY 40507